

**Department of Personnel Administration  
Memorandum**

**TO: Personnel Management Liaisons (PML)**

<b>SUBJECT:</b> 2006 Open Enrollment Period for Dental, FlexElect, and Consolidated Benefits (CoBen) Programs, 2007 Dental and Vision Plan Premiums	<b>REFERENCE NUMBER:</b> 2006-028
<b>DATE ISSUED:</b> 08/09/06	<b>SUPERSEDES:</b>

This memorandum should be forwarded to:

**Personnel Officers  
Personnel Transactions Supervisors  
Personnel Transactions Staff**

**FROM:** Department of Personnel Administration  
Benefits Division

**CONTACT:** Bryan Bruno, Staff Personnel Program Analyst  
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This memo provides important information on the 2006 Open Enrollment for the Dental, FlexElect, and CoBen Programs, and 2007 Dental and Vision plan premiums. Please make sure your employees know about the open enrollment period and the information contained in this memo. The Department of Personnel Administration (DPA) recently mailed dental open enrollment information to State retirees, annuitants, and COBRA enrollees.

We've attached memos for you to distribute to your employees:

Attachment A - Memorandum to All State Employees (Open enrollment)

Attachment B - Dental Plan Options and Benefit Cost Comparison

Attachment C - 2007 Dental and Vision Plan Premiums

Attachment D - 2007 Dental and Vision COBRA Group Continuation Coverage Premiums

**OPEN ENROLLMENT**

Open Enrollment for Dental, FlexElect, and CoBen is **September 1, 2006 through September 29, 2006**. Enrollments/changes during this period are effective January 1, 2007.

For dental, eligible employees may enroll, cancel, or change plans, and add/delete dependents. For FlexElect and CoBen, eligible employees may enroll, cancel, or change their current options.

No action is necessary for currently enrolled employees who don't want to change their FlexElect Cash Option, CoBen Cash Option, and/or dental enrollment. However, Permanent Intermittent (PI) employees **must** re-enroll in the FlexElect/CoBen Cash Option during open enrollment if they want to remain in the program next year. Additionally, employees who want to continue enrollment next year in a FlexElect Reimbursement Account **must** re-enroll during open enrollment.

### **Completing the Open Enrollment Forms**

Use the following information to complete open enrollment forms:

**Permitting Event Date:** Dental/FlexElect/CoBen Cash – 9/1/06

**Effective Date:** Dental/FlexElect/CoBen Cash – 1/1/07

#### **Permitting Event Codes:**

##### **Dental**

03 – New Enrollment

15 – Add/Delete Dependent(s) (May use one form for this type of transaction)

28 – Change of Plan

29 – Change of Plan **and** Add/Delete Dependent(s)  
(May use one form for this type of transaction)

**FlexElect/CoBen** – Leave Permitting Event Code Blank

#### **Deadlines:**

9/29/06	Last day for employees to sign and submit open enrollment forms to Personnel Offices.
10/10/06	Last day for enrollment forms to be received in Personnel Offices (as shown on enrollment forms).
10/24/06	Last day for receipt by the State Controller's Office (SCO) of all open enrollment forms from Personnel Offices.
12/5/06	Last day for receipt by SCO of open enrollment forms returned to departments for correction (in order to be reflected on the 1/1/07 paycheck).
1/10/07	Last day for receipt by SCO of FlexElect and CoBen open enrollment forms reflecting cancellation and/or changes (forms signed/submitted to Personnel Office by 12/31/06). The effective date will be retroactive to 1/1/07.

Note: Employees who enroll in or make changes to their dental coverage during the open enrollment period may cancel or change their election until 9/29/06. In the remarks section of the new STD. 692 indicate the type of action taken and attach a copy of the original form that was previously sent to SCO during the open enrollment period. Employees may not cancel or change a dental election after the end of the open enrollment period unless they experience a valid change in status.

Note: Employees who enroll in or make changes to their FlexElect/CoBen election during the open enrollment period and employees, who are automatically reenrolled into the Cash Option, are allowed by Internal Revenue Code 125 to cancel or change their elections until 12/31/06. A new STD. 701C, STD. 701R, or STD 702 must be completed and signed by the employee by 12/31/06. Once the new plan year begins, employees may not cancel or change their FlexElect/CoBen enrollment unless they experience a valid change in status.

## **DENTAL PROGRAM**

DPA contracts with Delta Dental, PMI, and SafeGuard to provide dental insurance for eligible:

1. rank and file employees (except those in Bargaining Unit (BU) 6);
2. excluded employees; and
3. retirees/annuitants.

The California Association of Highway Patrolmen (CAHP) offers its own indemnity dental plan to BU 5 employees who are CAHP members, but its members may opt to enroll in a State-sponsored prepaid plan. The California Correctional Peace Officers Association (CCPOA) provides dental insurance to BU 6 employees who are CCPOA members. Represented employees in BU 5 and 6 should be advised to contact their Benefit Trust for information regarding their union-sponsored dental plan premiums and benefits. Dental premiums for union-sponsored plans are listed on Attachment C.

## **Restriction on Enrollment in Delta Dental Plans**

Except as noted below, employees must enroll in a State-sponsored prepaid dental plan during their first 24 months of State service. At the end of this 24-month period, employees who wish to enroll in the Delta Dental Premier or Delta Dental Preferred Provider Option (PPO) plan have 60 days to do so. This enrollment is available outside the open enrollment period.

The following employees are **not** subject to the 24-month restriction:

1. represented employees in BUs 2, 7, 8, 16, 17, 18, and 19;
2. excluded employees; and
3. employees who were previously State employees for 24 consecutive months without a permanent break in service during the 24 months.

### **CCPOA Dental Plan Restriction**

Employees in BU 6 who are restricted to the union-sponsored prepaid plan, Western Dental, must complete 12 months in the prepaid plan before they are allowed to enroll in the union-sponsored indemnity dental plan, Primary Dental. At the end of this 12-month period, employees have 60 days to enroll in the union-sponsored indemnity dental plan if they want to. This enrollment is available outside of the open enrollment period.

### **CAHP Dental Plan Restriction**

Employees in BU 5 who are restricted to a State-sponsored prepaid dental plan must complete 24 months of State service before they are allowed to enroll in the union-sponsored indemnity Blue Cross Dental Plan. At the end of this 24-month period, employees have 60 days to enroll in their union-sponsored Blue Cross Dental plan if they want to. This enrollment is available outside of the open enrollment period.

### **Delta Dental 2007 Premiums**

Delta Dental premiums will increase for the Delta Premier plan and decrease for the Delta Preferred Provider Option (PPO) dental plan effective January 1, 2007. The charts on page 5 and Attachments C and D show Delta's dental premiums that go into effect January 1, 2007.

### **Impact on Employees Not in Consolidated Benefits**

Employees not in Consolidated Benefits (CoBen), who are enrolled in the Delta Premier plan, will see an increase in their out-of-pocket premium on their January 1, 2007, pay warrants (December 2006 pay period). Employees not in CoBen, who are enrolled in the Delta PPO plan, will see a decrease in their out-of-pocket premium on their January 1, 2007, pay warrants (December 2006 pay period).

### **Impact on Employees in Consolidated Benefits**

Represented employees in BUs 2, 7, 8, 16, 17, 18, and 19, and excluded employees are in CoBen. Employees in CoBen pay the total dental premium with their CoBen benefit allowance. For employees enrolled in the Delta Premier plan, the increased dental premium will result in a higher amount deducted from their monthly CoBen allowance on their January 1, 2007, pay warrants (December 2006 pay period). For employees enrolled in the PPO plan, the decreased dental premium will result in a lower amount deducted from their monthly CoBen allowance on their January 1, 2007, pay warrants (December 2006 pay period).

**Reminder:** For employees in CoBen, the State's share and employee's share do not apply. Therefore, when you complete their dental forms, use the total premium amount as the amount deducted from their CoBen allowance.

The following charts show Delta's new dental premiums that go into effect January 1, 2007.

**Delta Dental Premier Basic Plan for Represented Employees:**

<b>Coverage</b>	<b>2007 Total Premium</b>	<b>State Share</b>	<b>2007 Employee Share</b>	<b>Employee Share <u>Increase</u></b>
Employee only	\$46.95	\$35.21	\$11.74	\$0.06
Employee plus one dependent	\$82.72	\$62.04	\$20.68	\$0.11
Employee plus two or more dependents	\$120.01	\$90.01	\$30.00	\$0.15

**Delta Dental Premier Enhanced Plan for Excluded Employees:**

<b>Coverage</b>	<b>2007 Total Premium</b>
Employee only	\$48.87
Employee plus one dependent	\$97.26
Employee plus two or more dependents	\$136.87

**Delta Dental Preferred Provider Option (PPO) for Excluded and Represented Employees:**

<b>Coverage</b>	<b>2007 Total Premium</b>	<b>State Share</b>	<b>2007 Employee Share</b>	<b>Employee Share <u>Decrease</u></b>
Employee only	\$40.50	\$30.38	\$10.12	\$0.13
Employee plus one dependent	\$79.44	\$59.58	\$19.86	\$0.26
Employee plus two or more dependents	\$119.89	\$89.92	\$29.97	\$0.40

### **Prepaid Dental Plan 2007 Premiums**

Premiums for PMI and SafeGuard will increase effective January 1, 2007. However, the State will continue to pay 100 percent of the premium for employees not in Consolidated Benefits (CoBen).

**Reminder:** For employees in CoBen, the State's share and employee's share do not apply. Therefore, when you complete their dental forms, use the total premium amount as the amount deducted from their CoBen allowance.

The following chart and Attachments C and D show the prepaid plans dental premiums that go into effect January 1, 2007.

<b>Coverage</b>	<b>SafeGuard Standard</b>	<b>SafeGuard Enhanced</b>	<b>PMI</b>
Employee only	\$15.11	\$14.78	\$17.35
Employee plus one dependent	\$24.48	\$25.02	\$28.47
Employee plus two or more dependents	\$34.29	\$30.82	\$39.38

### **Evidence of Coverage (EOC) Booklets, Participating Dentist Lists, and Membership Cards**

You may want to request a small supply of EOC booklets and participating dentist lists from the dental plans to have available in your Personnel Office for employees.

Advise employees in BU 5 and 6 to contact their Benefit Trust for information on claim forms, EOCs, participating dentist lists, or membership cards.

### **Affidavit for Domestic Partners Being Claimed As Economic Dependent (DPA 680)**

As a reminder, the Affidavit for Domestic Partners Being Claimed as Economic Dependents (DPA 680 rev. 12-2002) form must be completed and sent to the State Controller's Office for employees who enroll domestic partners as dependents on their State dental and/or health plans. The value of the additional benefits received by a domestic partner will be added to an employee's taxable income. The completed form should be sent to SCO at the address listed below.

State Controller's Office  
P.O. Box 942850  
Sacramento, CA 94250-5878  
Attention: Benefits Unit, Leonard Squires

For more information regarding the purpose of the DPA 680 you should refer to the Benefits Administration Manual (BAM) Dental Section 500 and/or DPA PML 2001-002, dated January 3, 2001.

## **FLEXELECT**

Important Program Change: Effective January 1, 2007, the FlexElect Program will increase the administration fee from \$1.00 per month to \$2.50 per month. For employees who are enrolled in the Dependent and/or Medical Reimbursement Accounts and/or FlexElect Cash Option, the increased administrative fee will be deducted from their monthly pay on their January 1, 2007, pay warrants (December 2006 pay period).

Employees who enroll in any FlexElect Option during the open enrollment period and employees who are automatically re-enrolled in FlexElect Cash Option have **until December 31, 2006**, to cancel their enrollment or make changes.

As indicated in a previous memo we sent to departments, we will no longer provide hard copies of the FlexElect handbook. The 2007 FlexElect handbook is available and can be downloaded from DPA's Web site at [www.dpa.ca.gov](http://www.dpa.ca.gov) (click on Benefits, then click on FlexElect Reimbursement Accounts, under Related Forms). You should refer to BAM Section 700 for information regarding FlexElect and processing instructions for open enrollment forms.

DPA recently mailed an open enrollment notification to the homes of employees currently enrolled in a FlexElect Reimbursement Account, as a reminder that they must re-enroll during open enrollment if they want to participate in a reimbursement account in 2007.

As in the past, DPA sent Personnel Offices a list of employees in your department who are enrolled in a 2006 FlexElect Reimbursement Account. Where possible, we mailed the listing to the appropriate field office. You may want to send the employee(s) a reminder that they must re-enroll during open enrollment if they want to participate in a reimbursement account in 2007.

The Cash Option Enrollment Authorization (STD. 701C) has been revised and is currently available through the Department of General Services – Forms Management Section. The STD. 701C rev. 9/05 is also included in the 2007 FlexElect Handbook and departments should begin using the revised form to process FlexElect Cash Option transactions. The form was revised to include language regarding the dental plan three-year commitment and the impact to Permanent Intermittent (PI) employees who lose eligibility for PI cash if they are appointed to a permanent position.

## **CONSOLIDATED BENEFITS**

In the absence of all ratified and signed collective bargaining agreements, the 2007 CoBen allowance amounts will not be included in this PML. Once the agreements are ratified and signed, DPA Benefits Division will send a separate PML to all departments with the 2007 CoBen allowances for rank and file and excluded employees. All departments will be responsible for communicating this information to their employees. You may also check the DPA website for any updates.

All excluded employees and employees represented by BUs 2, 7, 8, 16, 17, 18, and 19 are in CoBen.

Employees who enroll in CoBen Cash during the open enrollment period and employees who are automatically re-enrolled in CoBen Cash have **until December 31, 2006**, to cancel their enrollment or make changes.

As indicated in a previous memo we sent to departments, we will no longer provide hard copies of the CoBen handbooks. The 2007 CoBen handbook is available and can be downloaded from DPA's Web site at [www.dpa.ca.gov](http://www.dpa.ca.gov) (click on Benefits, then click on Consolidated Benefits, under CoBen Publications and Forms). You should refer to the Benefits Administration Manual Section 1600 for information regarding CoBen and processing instructions for open enrollment forms.

### **CoBen Calculator**

The CoBen Calculator on DPA's Web site, will help employees determine how much they want to be deducted from their paycheck, or added to it, based on which health and dental plans chosen. Employees simply click on their health and dental plan choices, and how many dependents will be covered.

The calculator automatically computes the total cost of the benefits selected and subtracts them from the CoBen allowance. The result shows whether the employee will have a monthly benefit deduction or receive extra cash. There are two separate calculators, one for excluded employees and another for rank and file employees in BUs 2, 7, 8, 16, 17, 18, and 19. Once the collective bargaining agreements for employees in CoBen are ratified and signed, the CoBen calculator will be updated with the 2007 CoBen Allowance amounts. The CoBen calculator is located at [www.dpa.ca.gov](http://www.dpa.ca.gov) (click on Benefits, then Consolidated Benefits, and scroll down to the link for the calculators).

## **VISION PROGRAM**

The premium paid to the Vision Service Plan for vision coverage will remain at the current rate of \$9.19 and will continue to be fully paid by the State. State employees' vision coverage is automatically established for employees and their eligible dependents and no form is required to enroll, add, or delete dependents during open enrollment. Therefore, employees need to continue to ensure that only eligible dependents are provided services under their State-sponsored vision plan.



## **PERSONNEL OFFICES**

Your assistance in the following areas will be appreciated and will help make this open enrollment period successful:

- (1) provide a copy of the attached open enrollment memorandum to all employees (Attachment A);
- (2) make Dental, FlexElect, and CoBen Program material available or advise employees how to obtain such material;
- (3) assist employees in completing enrollment/change forms, review, and submit enrollment forms by the due dates listed in this memo; and
- (4) send completed enrollment forms and packages to SCO.

Please help your employees who have questions regarding open enrollment for the Dental, FlexElect, or CoBen Programs. If you need assistance to answer your employees' questions, please call Bryan Bruno, Staff Personnel Program Analyst, at (916) 445-9841.

/s/ Greg Beatty

Greg Beatty, Acting Chief  
Benefits Division

Attachment(s)